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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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92-28280

(Mark one)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

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Commission File Number 33-26545-A

PONTE VEDRA BANKING CORPORATION
(Exact name of registrant as specified in its charter)

Florida	59-2921958
(State of Incorporation)	(I.R.S. Employer Identification No.)

100 Sawgrass Corners Drive, Ponte Vedra Beach, FL 32082
(Address of principal executive offices) (Zip Code)

(904) 285-7222
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) YES X NO _____

(2) YES X NO _____

The number of shares of the registrant's $1.00 par value common stock outstanding as of April 20, 1992, was 652,920.

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PONTE VEDRA BANKING CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PONTE VEDRA BANKING CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

	December 31, 1991 (Audited)	March 31, 1992 (Unaudited)
ASSETS		
Cash and due from banks	2,692,594	2,214,405
Interest bearing deposits in banks	100,000	100,000
Federal funds sold	0	725,000
Investment securities (Approximate market value $8,975,000 and $10,647,783 respectively)	12,342,419	11,467,186
Loans, less allowance for loan losses of $228,179 and $247,018 respectively	22,596,424	24,466,019
Property, equipment and leasehold improvements, net	1,229,542	1,214,482
Accrued interest receivable	388,158	397,044
Other Assets	48,912	92,567
Total Assets	39,398,049	40,676,703
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	6,874,514	7,516,838
NOW accounts	5,885,866	5,877,253
Savings	792,079	1,090,348
Money market accounts	9,546,772	9,883,292
Certificates of deposit under $100,000	7,031,592	6,463,548
Certificates of deposit over $100,000	3,241,120	3,511,990
Total deposits	33,371,943	34,343,269
Securities sold under agreement to repurchase	440,369	601,846
Accrued interest payable	42,795	38,368
Fed funds purchased	0	0
Other liabilities	234,383	308,243
Total liabilities	34,089,490	35,291,726
Stockholders' equity		
Common stock	652,920	652,920
Capital in excess of par value	5,818,107	5,818,107
Retained earnings	(1,162,468)	(1,086,050)
Total stockholders' equity	5,308,559	5,384,977
	39,398,049	40,676,703

See Accompanying Notes to Consolidated Financial Statements.

PONTE VEDRA BANKING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF INCOME (LOSS)
(000'S Omitted)
(Unaudited)

	For the three months ended March 31,	
	1991	1992
Interest income:		
Interest and fees on loans	$263,765	$596,184
Interest on investment securities	175,422	196,185
Interest on federal funds sold	13,916	5,203
Interest on deposits in bank	0	1,591
Total interest income	453,103	799,163
Interest Expense:		
Interest on deposits	194,062	267,532
Other	3,469	3,536
Total interest expense	197,531	271,068
Net interest income	255,572	528,095
Provision for loan losses	(23,066)	(18,840)
Net interest income after provision for loan losses	232,506	509,255
Other income:		
Service fees	16,958	64,949
Securities transactions	0	50,271
Other	15,426	31,892
Total other income	32,384	147,112
Other expense:		
Salaries and benefits	235,445	296,382
Occupancy expenses	140,819	143,241
Other operating expenses	94,464	140,326
Total other expense	470,728	579,949
Net income (loss)	($205,838)	$76,418
Earnings (loss) per share	($0.32)	$0.12
Weighted average shares outstanding	652,920	652,920

See Accompanying Notes to Consolidated Financial Statements.

PONTE VEDRA BANKING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(000'S Omitted)
(Unaudited)

	For the three months ended March 31,	
	1991	1992
Cash flows from operating activities:		
Net income (loss)	($205,838)	$76,418
Adjustments to reconcile net income (loss) to cash provided by operating activities:		
Provision for loan losses	23,065	18,840
Depreciation	40,696	31,568
Accretion/amortization on securities	(4,200)	19,990
Changes in:		
Interest receivable	6,793	(368,715)
Interest payable	(22,607)	(42,795)
Other liabilities	9,882	112,228
Other assets	(44,909)	421,256
Cash provided by (used in) operating activities	(197,118)	268,790
Cash flow from investing activities:		
Purchases of investment securities	(997,776)	(742,892)
Maturities and sales of investment securities	0	1,618,125
Loans originated	(2,688,778)	(4,318,081)
Principal collected on loans	1,450,000	2,448,486
Purchases of property and equipment, net	(205,794)	(15,060)
Cash used in investing activities	(2,442,348)	(1,009,422)
Cash flow from financing activities:		
Net increase in demand deposits, NOW accounts, savings and money market accounts	1,950,448	1,268,500
Net increase in certificates of deposits	194,739	(297,174)
Securities sold under agreement to repurchase	0	161,477
Cash provided by financing activities	2,145,187	1,132,803
Net decrease in cash and cash equivalents	(494,279)	(378,189)
Cash and cash equivalents:		
Beginning of period	2,473,413	2,792,594
End of period	$1,979,134	$2,314,405

See Accompanying Notes to Consolidated Financial Statements.

PONTE VEDRA BANKING CORPORATION AND SUBSIDIARY
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1992 AND 1991

Note 1 - Interim Statement Adjustments:

The unaudited interim consolidated financial statements reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results for the periods presented. All adjustments are of a normal and recurring nature. The interim consolidated financial statements are designed to be read in conjunction with the most recent annual report.

Note 2 - Accounting Policies:

Investment Securities
Securities are generally held only for investment purposes. The Company has both the intention and ability to hold to maturity securities recorded at amortized cost. However, management may decide to sell certain securities prior to maturity when unanticipated changes in economic conditions, such as fluctuations in interest rates or liquidity, indicate such sales may be in the best long-term interest of the Company. Securities are stated at cost adjusted for amortization of premiums and accretion of discounts, which are recognized as adjustments to interest income. Gains or losses on disposition are based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific identification method.

Income Taxes
Deferred income taxes are reported for temporary differences between items of income or expense reported in the financial statements and those reported for income tax purposes. The differences relate principally to depreciation of equipment, accretion of discounts on investment securities and provision for loan losses. Financial Accounting Standard No. 96, Accounting for Income Taxes, has been adopted from inception.

Note 3 - Background and Organization:

Ponte Vedra Banking Corporation (the Company) was incorporated effective October 4, 1988 primarily to serve as the holding company for a national banking association (the Bank). In 1989 the Company raised $6,509,200 (less $58,173 in selling expenses) through an offering of its common stock, of which $5,500,000 was used to capitalize the Bank. The Bank opened for business December 18, 1989 under the name "Ponte Vedra National Bank". The Bank is headquartered in Pont Vedra Beach, Florida and also operates branch offices in Ponte Vedra Beach and in Atlantic Beach, Florida. The Company owns 100% of the common stock of the Bank.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Ponte Vedra Banking Corporation (referred to herein as the "Holding Company" or the "Registrant") was incorporated under the laws of Florida effective October 4, 1988, primarily to serve as the holding company for a national banking association. On July 19, 1989, the Holding Company received the approval of the Board of Governors of the Federal Reserve System to use the proceeds of an offering pursuant to a prospectus dated March 1, 1989, to acquire 550,000 shares of common stock of Ponte Vedra National Bank (the "Bank") (all of the issued and outstanding shares of common stock of the Bank) upon the opening of the Bank for business. The Bank received the final approval of the United States Office of the Comptroller of the Currency and opened for business on December 18, 1989. Fiscal 1990 was the Bank's first full year of operations.

The following discussion sets forth the major factors that have affected the Registrant's financial condition and results operations for the quarter ended March 31, 1992, as reflected in the consolidated financial statements included at pages 2 – 5 of this Quarterly Report on Form 10-Q. These comments should be read in conjunction with the consolidated financial statements.

1. Earnings.

The Registrant incurred a net profit for the quarter ended March 31, 1992, of $76,418, or $.12 per share which compares with a net loss of $205,838, or $.32 per share for the same period last year, and a net profit for the quarter ended December 31, 1991 of $45,538, or $.07 per share. The current quarter's net profit is significantly ahead of original projections by the Registrant's organizers.

The Bank's total deposits increased by approximately $971,000 in the first quarter, 1992, as compared to an increase of approximately $2,145,187 for the quarter ended March 31, 1991, and by approximately $3,008,000 in the quarter ended December 31, 1991. During the same period, loans increased by approximately $1,870,000, $1,215,713 and $3,568,000, respectively.

During 1991, the sale of certain securities was deemed to be in the best long-term interest of the Company because of unexpectedly sharp fluctuations in interest rates. Investment securities totaling $10,408,142 were sold during 1991 and $180,641 in gains were realized on these sales. For the quarter ended March 31, 1992, investment securities totaling $1,608,194 were sold and $50,271 in gains were realized on these sales.

2. Dividends.

There were no dividends paid or declared by the Registrant during the quarter ended March 31, 1992, nor during any prior quarter.

3. Liquidity and Capital Resources.

Liquidity is measured by a bank's ability to raise cash when needed without adversely impacting profits. The Bank must be capable of meeting its customers' immediate withdrawal requirements, funding loans and lines of credit, and in general, fulfilling its customers' credit needs. Should it become necessary, the Bank could sell some of its loans or a part of its investment portfolio to achieve the desired liquidity. The Bank's balance sheet has natural sources of liquidity. Additional liquidity available to the Bank is the Holding Company's investment securities which total $701,231 at March 31, 1992.

New risk-based capital guidelines have been developed which assign weighted levels of risk to assets and certain other financial instruments in order to assess capital adequacy. At March 31, 1992, the Bank and Holding Company exceeded these new capital requirements.

4. Net Interest Income.

For the quarter ended March 31, 1992, the Registrant's total interest income was $799,163, total interest expense was $271,069, and net interest income (prior to provision for loan losses) was $528,094. For the first quarter, 1991, the Registrant's total interest income was $453,103, total interest expense was $197,531, and net interest income (prior to provision for loan losses) was $255,572. For the quarter ended December 31, 1991, the Holding Company's total interest income was $901,235, total interest expense was $321,470 and net interest income (prior to provision for loan losses) was $579,765.

5. Trends.

Registrant is unaware of any trends, events or uncertainties that will have or that are reasonably likely to have a material effect on the Registrant's liquidity, capital resources or operations. The Registrant is unaware of any current recommendations by the regulatory authorities to which its operations are subject which if they were to be implemented would have such an effect.

6. Problem Loans and Provision for Loan Losses.

At March 31, 1992, one loan in the amount of $26,092 was treated by the Bank as non-accrual. No other loans were past due , restructured or non-accrual during this period. During 1991, the Bank charged off three loans totaling $57,353 and recovered $39,900 on two of these loans. No other loans were past due, restructured or non-accrual at December 31, 1991.

The Bank maintains an allowance for loan losses which it believes is adequate to absorb potential losses in the loan portfolio. The adequacy of the allowance for loan losses is analyzed, and adjustments are made monthly, based on a review of all significant loans with particular emphasis on non-accruing, past due and other loans that management believes require special attention because of uncertainties as to their collectability in accordance with their existing terms. The Bank maintains the allowance at the minimum level required by this methodology or 1% of outstanding loans, whichever is greater. Currently the Bank's allowance is at 1%, and this level was found to be adequate by the National Bank Examiners of the Office of the Comptroller of the Currency during their last examination of the Bank as of January 31, 1992.

PART II. OTHER INFORMATION

Item 1. Legal.

No material legal proceedings were instituted either by or against the Holding Company during the quarter ended March 31, 1992.

Item 2. Change in Securities.

There has been no change in the Holding Company's securities during the quarter ended March 31, 1992.

Item 3. Defaults Upon Senior Securities.

The Holding Company does not have any outstanding debt or securities of this nature.

Item 4. Submission of Matters to a Vote of Security Holders.

The Annual Meeting of the Stockholders of the Company was held April 20, 1992. At that meeting Isabelle Thomas Davis, G. Bruce Douglas, Ben T. Franklin, Jr., Robert W. Fowler, Daniel J. Gallagher, Joseph M. Hixon, John F. Lovejoy, Jr., Edward J. McMahon, Joseph P. Moorer, Guy N. Nix, Jr., Reto J. Schneider and P. Jeremy Smith were elected as directors for the ensuing year by the following vote:

FOR	WITHHELD
416,150	600

In addition, the appointment of Harbeson, Beckerleg & Fletcher to examine the Holding Company's financial statements for fiscal 1992 was approved by the following vote:

FOR	AGAINST	ABSTAIN
415,150	300	1,300

No settlement between the Holding Company and any participant terminating any solicitation subject to Rule 14a-11 occurred during the quarter ended March 31, 1992.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports.

(a) None.

(b) Reports on Form 8-K. No reports on Form 8-K were filed during the quarter ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PONTE VEDRA BANKING CORPORATION

Guy N. Nix, Jr.
Vice President and
Chief Financial Officer

Dated: 3/5/92